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SECOND COMMITTEE
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DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION

Pakistan*: draft resolution

Net transfer of resources between developing countries and developed countries

The General Assembly,

Reaffirming its resolution S-18/3 of 1 May 1990, the annex to which contains the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries,

Recalling also its resolution 44/232 of 22 December 1989 on trends in the transfer of resources to and from the developing countries and their impact on the economic growth and sustained development of those countries, resolution 45/192 of 21 December 1990 on the net transfer of resources between developing countries and developed countries and Economic and Social Council resolutions 1989/112 of 28 July 1989 and 1990/56 of 26 July 1990,

Recalling further its resolution 43/197 of 20 December 1988 on the fulfilment of the target for official development assistance,

Recognizing the need to strongly support the efforts of the developing countries in solving their grave economic and social problems through the creation of a favourable international economic environment,

* On behalf of the States Members of the United Nations that are members of the Group of 77.

Concerned that the pronounced decline in the flow of resources in the last decade, severe external indebtedness, the long-term downward trend of commodity prices, continued protectionism and deteriorating terms of trade have resulted in a significant net transfer of resources from developing countries to developed countries over the past decade,

Also concerned about the inability of the international financial system to furnish adequate development finance over the past decade, thus leaving the developing countries with serious financial problems,

Taking note of the successful outcome of the eighth session of the United Nations Conference on Trade and Development and the spirit of multilateralism that permeated the Conference as reflected in its final document "A New Partnership for Development: The Cartagena Commitment", 1/

Bearing in mind that, owing to the persistent structural imbalances of the world economy, the developing countries continue to face major problems in the areas of money, finance, resource flows, trade, commodities and external indebtedness,

Also bearing in mind the involvement of transnational corporations in the transfer of financial resources to and from developing countries,

Noting the call by the Group of Seven major industrial countries at the Munich Economic Summit to carry out a full examination of the options available for the subsequent period of the Enhanced Structural Adjustment Facility of the International Monetary Fund, including the renewal of the Facility, 2/

Also taking note of the report of the Secretary-General on the net transfer of resources between developing and developed countries 3/ and of the World Economic Survey, 1992, 4/ in particular chapter IV entitled "Saving, investment and the international transfer of resources",

1. Urges the international community to take concrete measures to ensure adequate resources for the reactivation of economic growth and sustained development in developing countries, taking into account the following recommendations:

1/ TD(VIII)/Misc.4.

2/ See A/47/375-S/24429, annex I.

3/ A/47/404.

4/ United Nations publication, Sales No. E.92.II.C.1 and corrigenda.

(a) That the Governments of developed countries promote policies designed to effectively address instability and the adverse effects of large short-term shifts in the flow of financial resources;

(b) That the Governments of developed countries promote an adequate flow of resources to developing countries and that those developed countries that have not already done so increase the official development assistance rate as quickly as possible to meet their internationally agreed targets of 0.7 per cent of gross national product;

(c) That the developed countries increase financial flows to assist developing countries in their diversification and adjustment efforts through, inter alia, an expansion of multilateral credits, foreign direct investment and increasing concessional and non-debt resources;

(d) That the developed countries expedite the negotiations towards the realization of the Tenth Replenishment of the International Development Association, taking into account the growing needs of an increasing number of eligible low-income countries for concessional finance;

(e) That in order to overcome the long-standing external indebtedness of developing countries, creditor countries should, inter alia, reduce the stock and service of debt enough to contribute to the attainment of the objective of the resumption of vigorous growth and sustained development in indebted developing countries;

(f) That all Governments work towards a more open, free, equitable and disciplined international trading system that improves access to markets, especially for the exports of developing countries, and that their terms of trade should be enhanced; in this connection, the urgent need for a balanced and successful outcome to the Uruguay Round of multilateral trade negotiations should be stressed;

(g) That producers and consumers of commodities continue to explore ways and means of reinforcing their cooperation; full and active cooperation in international commodity agreements and arrangements should be pursued with a view to achieving more efficient international commodity cooperation and assisting the diversification of the economies of commodity-dependent developing countries;

(h) That Governments work towards an international financial framework that will provide a higher degree of stability in financial markets, reduce the risk of financial crisis such as volatility in exchange rates and help to promote an international financial system more conducive to stable economic growth;

(i) That intensified efforts be made by industrialized countries to lower real interest rates in order to bring about a more favourable international economic environment and to reduce uncertainties of financial flows;

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(j) That the developed countries strive to enhance the effectiveness of multilateral surveillance aimed at correcting existing external and fiscal imbalances so as to expand multilateral trade and investment and increase financial flows, particularly to developing countries;

2. Requests the Secretary-General to continue to monitor developments in the net transfer of resources between developing and developed countries and to report thereon in the World Economic Survey, 1993;

3. Also requests the Secretary-General to report to the General Assembly at its forty-ninth session on the implementation of the present resolution.
